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BEFORE THE ARIZONA CORPORATION COM

COMMISSIONERS

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP

WS-01303A-02-0867  
WS-01303A-02-0869  
WS-01363A-02-0870

IN THE MATTER OF THE APPLICATION OF  
ARIZONA-AMERICAN WATER COMPANY,  
AN ARIZONA CORPORATION, FOR  
AUTHORITY TO IMPLEMENT ARSENIC COST  
RECOVERY MECHANISMS FOR ITS AGUA  
FRIA WATER, SUN CITY WATER WEST,  
HAVASU WATER AND TUBAC WATER  
DISTRICTS.

DOCKET NO. W-01303A-05-0280

DECISION NO. 68310

NOTICE OF COMPLIANCE FILING

In compliance with Decision No. 68310 Arizona American Water Company hereby files  
the attached 2009 Capital Structure Report.

RESPECTFULLY SUBMITTED on March 30, 2010.

*Sandra L. Murrey*

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Rate Analyst

Arizona-American Water Company

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Arizona Corporation Commission

DOCKETED

MAR 30 2010

DOCKETED BY

*MM*

ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

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RECEIVED

1 Original and 13 copies **filed**  
2 on March 30, 2010, with:

3  
4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington  
7 Phoenix, Arizona 85007

8  
9 Copies of the foregoing **emailed**  
10 on March 30, 2010 to:

11  
12 Brian K. Bozzo  
13 Compliance and Enforcement Manager  
14 Utilities Division  
15 1200 West Washington Street  
16 Phoenix, AZ 85007

Arizona American Water Company  
Capital Structure for 2009 (Defined as equity, long-term debt and short-term debt)  
\$ Millions  
Compliance for Decision No. 68310 - Havasu  
Compliance for Decision No. 70560 - Paradise Valley

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Equity	153.8	153.4	153.4	153.4	153.0	153.5	153.4	153.9	154.4	155.2	155.4	156.1
LT Debt	186.2	175.6	175.6	175.6	184.1	175.6	175.6	175.6	175.5	175.5	175.5	175.5
ST Debt	54.5	70.6	75.5	76.1	69.7	70.2	67.5	67.5	66.7	64.9	67.9	66.0
												67.7
Total Capital	394.5	399.5	404.4	404.7	407.2	399.2	397.0	396.7	395.6	398.8	397.6	398.1

Please note that ratemaking pro formas to remove the Tolleson obligation and include the Phoenix Interconnection are not reflected in Long-Term Debt.

1 in Staff's AIF Tariff Schedule, and as further modified at the hearing, shall be approved.

2 IT IS FURTHER ORDERED that Arizona-American Water Company shall comply with all  
3 requirements discussed in this Order as a condition of approval of the Arsenic Cost Recovery  
4 Mechanism.

5 IT IS FURTHER ORDERED that Arizona-American Water Company shall file a plan with  
6 Docket Control by December 31, 2005 that describes how the Company expects to attain and  
7 maintain a capital structure (equity, long-term debt, and short-term debt) with equity representing  
8 between 40 and 60 percent of total capital.

9 IT IS FURTHER ORDERED that Arizona-American Water Company shall file, by April 1<sup>st</sup>  
10 of each year subsequent to any year in which it collects surcharges under an ACRM, a report with  
11 the Utilities Division Director showing the Company's ending capital structure by month for the  
12 prior year.

13 IT IS FURTHER ORDERED that Arizona-American Water Company shall modify the rate  
14 base calculation for the Havasu Water District to explicitly show a deduction for Arsenic Impact Fee  
15 collections.

16 IT IS FURTHER ORDERED that, as part of the Earnings Test schedule filed in support of the  
17 ACRM, Arizona-American Water Company shall incorporate adjustments conforming to Decision  
18 No. 67093.

19 IT IS FURTHER ORDERED that Arizona-American Water Company shall file the schedules  
20 discussed in its application, as modified by Staff's recommendations herein. Microsoft Excel or  
21 compatible electronic versions of the filings and all work papers should be filed concurrently with all  
22 ACRM filings.

23 IT IS FURTHER ORDERED that Arizona-American Water Company shall file permanent  
24 rate applications for its Sun City West, Agua Fria, and Havasu districts by no later than April 30,  
25 2008, based on a 2007 test year.

26 IT IS FURTHER ORDERED that, for the Havasu District, Arizona-American Water  
27 Company shall file with Docket Control by January 31<sup>st</sup> of each year, an annual calendar year status  
28 report, until the AIF Tariff is no longer in effect. The status report shall contain a list of all